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Economic Services Division

Committee on China

NSA Declassification/Release Instructions on File

(Minutes of the Twenty-Third Meeting -- 0930 hours, 3 March 1955)

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Present: Messrs: [REDACTED]

Guests: Messrs: [REDACTED]

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The following items of current significance were discussed:

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1. [REDACTED] comments on the use of Soviet gauge on the railroad through Inner Mongolia coincide with S/TR's as to its feasibility. They also raise the question of why the Chinese have acquiesced in this penetration of their soil with its implication of a closer tie-up between Inner and Outer Mongolia.

2. The Japanese press has announced plans for establishing Japanese airline service to China. The Chinese are expected to react favorably, although the airline's dependence on US equipment may prove embarrassing to the Japanese.

3. Construction has been started at the Lanchou end of the Lanchou-Paoou railroad.

4. It is estimated that the completion of track laying and the trial runs on the Hanoi-Langson line do not mean that it will soon be open for regular service, because of doubts as to its safety in some areas and the need for water, ballast and other services.

5. G-2's estimate of the importance of the Free Thai movement (discussed last week) is that its purpose is primarily for training in subversion rather than as an overt military force.

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7. Indications continue of a serious food shortage in Vietnam, which meagre shipments from China will not alleviate.

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In spite of its serious character, it is not considered a threat to the stability of the regime.

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9. In the communications field, there are indications that a newly established channel between China and the USSR (probably a multi-channel landline) will be used for relatively low-priority radio re-broadcast material. This could indicate considerable increased capacity.

10. China appears to be making increased use of micro-wave facilities. Such a link is believed to be in operation along the east coast from Nanning to Peking. D/GP will be checked for information to substantiate this belief.

Correction: Item 4 of the Minutes of the Twenty-Second Meeting (24 Feb) should be corrected to indicate that the Chinese expect that the capacity of electric power plants completed in 1955 will exceed the capacity of those completed in 1954 by 96% (thermo) and 25% (hydro).

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